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## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS Arizona Corporation Commission

GARY PIERCE - Chairman

BOB STUMP

SANDRA D. KENNEDY

PAUL NEWMAN

BRENDA BURNS

DOCKETED BY

JUL - 5 2011

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AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF:

RICHARD M. SCHMERMAN, individually and  
d/b/a Diversified Financial and/or Diversified  
Financial Planners, and Amy Schmerman, husband  
and wife.

RESPONDENTS.

DOCKET NO. S-20757A-10-0373

**SIXTH**  
**PROCEDURAL ORDER**  
**(Continues Status Conference)**

**BY THE COMMISSION:**

On September 9, 2010, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against Richard M. Schmerman d/b/a Diversified Financial and/or Diversified Financial Planners ("Diversified") and Amy Schmerman, husband and wife (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") and the Investment Management Act ("IM Act") in connection with Respondent Richard A. Schmerman's practices in business and securities matters which allegedly involved mishandling of client funds and misrepresentation.

The Respondents were duly served with copies of the Notice.

On September 20, 2010, a request for hearing was filed by the Respondents.

On September 22, 2010, by Procedural Order, a pre-hearing conference was scheduled on October 21, 2010.

On October 21, 2010, at the pre-hearing conference, the Division and Respondents appeared through counsel. The parties are discussing a possible resolution of the issues raised by the Notice, but have agreed in the interim that a status conference be scheduled in approximately 60 days.

On October 22, 2010, by Procedural Order, a status conference was scheduled on December 16, 2010.

On December 16, 2010, the Division and Respondents appeared through counsel at the status

1 conference. The parties were continuing to discuss a resolution of the proceeding and in the interim,  
2 the Division requested that another status conference be scheduled in approximately 60 days.

3 On December 16, 2010, by Procedural Order, a status conference was scheduled on February  
4 23, 2011.

5 On February 22, 2011, the Division and Respondents filed a Joint Stipulation to Continue the  
6 status conference for at least 60 days in order that the parties could continue to review matters and  
7 attempt to resolve the issues raised by the Notice.

8 On February 23, 2011, by Procedural Order, the status conference was continued from  
9 February 23, 2011, to April 25, 2011.

10 On April 22, 2011, the Division and Respondents filed another Joint Stipulation to Continue  
11 the status conference for at least 60 days to allow the parties to continue to work towards a settlement  
12 of the issues raised by the Notice.

13 On April 25, 2011, by Procedural Order, the status conference was continued from April 25,  
14 2011, to July 7, 2011.

15 On July 5, 2011, the Division and Respondents filed another Joint Stipulation to Continue the  
16 status conference for at least 60 days to allow the parties to continue to work towards a settlement of  
17 the issues raised by the Notice.

18 Accordingly, the status conference should be continued.

19 IT IS THEREFORE ORDERED that the **status conference scheduled on July 7, 2011, shall**  
20 **be continued to September 8, 2011, at 9:30 a.m.,** at the Commission's offices, 1200 West  
21 Washington Street, **Room 100**, Phoenix, Arizona.

22 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
23 Communications) applies to this proceeding as the matter is now set for public hearing.


24 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance  
25 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
26 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
27 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is  
28 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the

Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 5<sup>TH</sup> day of July, 2011.


  
MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 5<sup>TH</sup> day of July, 2011 to:

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By:   
Debra Broyles  
Secretary to Marc E. Stern